



CITY OF ROANOKE

ENERGY EFFICIENT HOME

REHABILITATION LOAN PROGRAM

MARKET RATE COMPONENT

WEST END TARGET AREA

GUIDELINES

Approved December 12, 2012

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Section 1 - Background

Section 2-314 of the Code of the City of Roanoke states: To the extent that such funds have been appropriated, the City Manager is authorized to make loans or grants of city funds to individuals for the purpose of rehabilitating owner-occupied residences, or assisting in the purchase of owner-occupied residences, that are located in an area that has been designated as a conservation or rehabilitation district. The City of Roanoke's Department of Planning, Building & Development, through the Community Resources Division, has identified target areas within the qualifying districts to prioritize Community Development Block Grant (CDBG) and HOME funds from Department of Housing and Urban Development (HUD) entitlements and program income to maximize the effects of public and private investment into neighborhood revitalization. In 2011, the City began an internally administered initiative of rehabilitation of homes within conservation and rehabilitation districts city-wide. This approach was to focus on energy efficiency, address safety and health issues, building code compliance, and to a lesser extent, aesthetic improvements for owner-occupied single-family homes. The initial pilot program sought to rehabilitate 10 homes throughout the city for both market-rate (greater than 80% median household income) and affordable (less than 80% of median household income) homeowners using a combination of City general funds and HUD funds. The initial program provided a 120-month forgivable loan for qualifying homeowners of up to \$50,000 per home for major rehabilitation. In an effort to achieve a more effective use of HUD funds through a more sustainable program design, to encourage economic diversification of LMI neighborhoods, and encourage outside private investment using the target area revitalization strategy, the City has adopted these regulations for the continuance of the Energy Efficient Home Rehabilitation Program for the West End Neighborhood Revitalization Strategy Area (NRSA).

Target Areas: Eligible areas for this program are restricted to the Target Area as defined by the City of Roanoke as the West End Target Area and shown on Attachment A. This area has been designated a NRSA by HUD, and as such, no more than 49% of housing renovations and new homeownership opportunities may be offered to non LMI households.

Section 2 - Introduction

Housing rehabilitation is a term applied to the repair and improvement of homes that have fallen into a substandard condition. The principle goals of housing rehabilitation are the conservation of existing housing and the preservation of good neighborhoods. The City of Roanoke's Energy Efficient Home Rehabilitation Program is designed to assist in accomplishing these goals by providing no-interest loans to homeowners in residential areas characterized by deteriorating housing conditions. The Program is designed to fulfill the following objectives:

- Stabilize older residential areas by providing limited financial assistance to homeowners in target areas in order to prevent deterioration of property.
- Eliminate housing conditions which are detrimental to public health, safety and welfare.
- Preserve the community's housing stock in order to meet the needs of the

residents.

- Conserve energy through weatherization and other energy efficient measures as identified by an Energy Audit.
- Improve neighborhood appearance through the application of property eligibility guidelines and the availability of funds to improve the exterior appearance of homes rehabilitated.

Section 3 – Program Overview

Applications for this program shall be considered in chronological order of date-stamped reception of completed Uniform Residential Mortgage Application forms. The City shall reserve the right to limit the number of applications accepted based on availability of funds. The City makes no guarantee that funding will be available for any work unless and until a deed of trust is executed to release the funds. The City shall also reserve the right to deny participation in the program to any applicant due to the extent of repairs needed and/or cooperativeness of the applicant. **Chronological order of application acceptance does not necessarily refer to order of project construction.**

To qualify for this program, the applicant must meet all of the following criteria:

Home Ownership: The applicant must own the home intended for rehabilitation, or be under contract to purchase the home at the time of application. In the case of pending sales, a deed of trust will not be executed until the applicant has taken clear title of the property.

Residence: The applicant must have listed as his/her primary residence the home intended for rehabilitation.

Insurance: The applicant must possess a homeowner's insurance policy on the structure. Should flood insurance be required on the property, a flood insurance policy shall remain in force throughout the term of the loan. See section 4.

Location: The home must be located within the Target Area as defined by the City of Roanoke as the West End Target Area and shown on Attachment A.

Income Requirement: There shall be no income restrictions placed on this program.

Terms of the program are as follows:

Loan Amount: The minimum allotment per home shall be ten thousand (\$10,000) dollars. The maximum allotment per home may be up to fifty thousand (\$50,000) dollars minus testing and administrative fees. The loan amount shall be the amount of the winning bid plus a five hundred (\$500) contingency.

Testing: Testing shall include, but not be limited to, lead paint and asbestos assessments, insect and rodent infestation assessments and energy audits. The total allotment per home

shall be reduced by the total amount of invoiced services performed prior to bidding.

Administrative Fees: Administrative fees shall include fees charged by the rehabilitation consultant and title company.

Interest Rate: The interest rate shall be 0% over the life of the loan.

Term: The term of the loan shall be ten (10) years.

Repayment: The loan principal shall be repaid over a period of 119 equal monthly payments plus 1 payment of residual loan balance.

Security: The loan shall be secured by a promissory note and deed of trust tied to the property being rehabilitated as part of this program.

Reapplication: The applicant shall not be eligible for additional benefits from this program for a period of not less than ten (10) years from the date of execution of loan contract, or until original loan is satisfied, whichever is sooner.

Additional Assistance: Unless otherwise stated, participation in this program shall not preclude the applicant from receiving additional assistance in other programs.

Repayment Triggers: The following actions by the applicant shall act as triggers for the repayment of the unforgiven balance of the loan:

- The applicant is convicted of violating certain City Code provisions after final acceptance of the Work.
- The applicant sells or otherwise transfers the property to another party other than his/her surviving spouse or heir.
- The applicant, surviving spouse or heir no longer uses the home as their primary residence.

Section 4 – Applicant Eligibility

Homeowner's Insurance: The applicant shall possess and maintain homeowner's insurance throughout the life of the loan with enough dwelling coverage to pay for the replacement or repair of the home if it is damaged in a covered peril. The applicant's homeowner's policy must list the City of Roanoke as an additional insured on the hazard policy and provide annual renewals when applicable.

Flood Insurance: If the structure considered for rehabilitation under this program falls within the 100 year flood plain as defined by FEMA on an applicable Flood Insurance Rate Map, the applicant shall possess and maintain adequate flood insurance throughout the life of the loan regardless of mortgage status. The applicant's flood insurance policy must list the City of Roanoke as an additional insured and provide annual renewals when applicable.

Agent of the City: No member of the City Council of the City of Roanoke and no other official, employee, or agent of the City who exercises policy, decision-making functions or responsibilities in connection with the planning and implementation of the Energy Efficient Home Rehabilitation Program shall be directly or indirectly eligible for benefits under this program. This prohibition shall continue for one year after an individual's relationship with the City of Roanoke ends.

Owner of Record: Applicants of housing rehabilitation loans must:

Own the home intended for rehabilitation, or be under contract to purchase the home at the time of application. In the case of pending sales, funds will not be awarded until the applicant has taken title of the property.

And

The applicant must have listed as his/her primary residence the home intended for rehabilitation. Primary residence is defined as physically occupying the home at least nine (9) months of any 12 month period. In the case of pending sales, the applicant must intend to use the home as their primary residence.

Credit Status: A credit report shall be obtained on all applicants. The applicant shall satisfy all outstanding credit issues prior to receiving benefits from this program. The applicant's credit report shall not demonstrate an overload of debt or foreclosure proceedings that may affect his/her ability to maintain ownership of the property to be rehabilitated. If such issues are determined, the application will be withdrawn. The applicant may be able to reapply for the program upon satisfaction of the issues. A filing of bankruptcy proceedings within two years of the date of the application shall disqualify the applicant. Should the applicant have a history of bankruptcy, he/she must portray a re-establishment of adequate credit (timely payment of utilities, mortgage, and credit cards). Applicants with more than one bankruptcy filing will be prohibited from participation in the program.

Subordination: Upon execution of the Deed of Trust, the City will not accept a position lower than third position. Should the applicant have three or more deeds tied to the property being considered for rehabilitation, no more than two should remain unsatisfied prior to receiving funds from this program.

Current in Accounts: The applicant shall be current in satisfying all federal, state and local taxes and fees. No outstanding contractor liens shall be tied to the property.

Section 5 – Property Eligibility

Home Ownership: Only owner occupied units are eligible for rehabilitation assistance. Mobile homes and rental units are not eligible.

Residence: The structure must be correctly classified by the Department of Real Estate Valuation prior to execution of a deed of trust. The applicant must have as his/her primary

residence the home intended for rehabilitation under this program. If the applicant has the home under contract, the applicant may be approved to participate in the program, however no funds other than that for a credit report shall be expended on the applicant's behalf unless and until the applicant presents proof of full ownership of the property.

Multi-Family Residences: In the case where a structure is divided into two or more residential units; (a) the owner of the property must have as their primary residence one of the units; and (b) this program and all benefits of this program shall apply only to the unit that is occupied by the property owner.

Location: Units must be located within the West End Target Area in the City of Roanoke ("Program Area") and must need repairs to provide standard, readily maintainable and reasonably attractive housing. The property must also be located on a residentially zoned tax parcel. Eligible properties must not be located in the proposed right-of-way of any planned public improvements. Eligible properties must be located on a site that is not endangered by mudslides, landslides or other environmental hazards.

Nuisances: Eligible properties must be free of all nuisances (weeds/trash, graffiti, inoperable motor vehicles or outdoor storage, etc.) as defined in Chapters 6 and 33 of the Code of the City of Roanoke (1979), as amended, prior to acceptance of application for housing rehabilitation assistance. Property maintenance violations (failing structure, broken window, roof repair, etc.) will be included in the work to be done under this program and do not have to be remedied prior to application acceptance.

Code Inspection: The applicant must agree to an inspection by the City of Roanoke during the project planning stage. This will ensure that code violations are identified and included in the work write up. Code violations after rehabilitation under this program are the responsibility of the owner to correct.

Feasibility: Eligible properties must be economically feasible to rehabilitate. To be considered economically feasible to rehabilitate it must be possible to bring the dwelling into compliance with all applicable building and zoning codes with the funds available under the housing rehabilitation program in combination with any owner supplied funds or other applicable programs. All homes rehabilitated under the program must, when completed, meet the minimum standards for rehabilitation under state and local building codes.

Section 6 – Eligible Activities

Program Priorities: In general, there are four priorities of this program with respect to the home rehabilitation. They are in descending order of priority: Health, safety and code concerns; energy efficiency concerns; exterior aesthetic concerns; and general property improvements. The Rehabilitation Consultant shall determine the category of each item. If the property lies within an Historic or Neighborhood Design District, all work shall conform to overlay guidelines. See Section 10 below. In general, allowable expenditures will be authorized according to the following priorities:

Health, Safety and Code issues: This program shall first address any condition within the

home that causes or could potentially cause health or safety hazards. The project shall not be considered for final acceptance unless and until ALL health, safety and code concerns, as determined by the Rehabilitation Consultant and/or City Code official, are identified and the costs of rehabilitation estimated to be within the maximum assistance available in combination with any owner supplied funds. This factor shall be considered when qualifying the home for eligibility. Health and safety concerns include, but are not limited to:

- Repair or replacement of water and sewerage systems and their components
- Repair or replacement of heating systems and their components
- Repair or replacement of water heater systems and their components
- Repair or replacement of electrical systems and their components
- Repair or replacement of defective plumbing, including sinks, tubs and toilet facilities
- Repair or replacement of roofing systems to correct health, safety or code issues
- Eradication of all serious insect or rodent infestations
- Correction of insufficient exit ways
- Correction of insufficient ventilation in order to prevent deterioration caused by chronic dampness
- Exterior painting to correct code violations
- Eradication of lead paint hazards where chipping, peeling, flaking or cracking exists
- Repair of seriously deteriorated walls, ceilings and floors
- Repair or replacement of structurally defective porches, gutters, chimneys, and foundations
- Repair of exterior walls and windows to prevent chronic dampness
- Repair of walkways and steps
- Special facilities for the handicapped
- Smoke detectors
- Correction of documented code violations
- Other concerns as suggested by a building official

Energy Efficiency: Housing rehabilitation funds may be used to increase energy efficiency and weatherization of the home as determined by the Rehabilitation Consultant. Energy efficiency concerns include, but are not limited to:

- Caulking of doors and windows
- Weather stripping of doors and windows
- Insulating of attics and basement ceilings
- Heating system tune up
- Window replacement or repair
- Storm window replacement or addition
- Heat duct insulation
- Hot water pipe insulation
- Fire place and flue dampers

- Programmable thermostats
- Hot water heater pipe insulation
- Other concerns as suggested by an energy audit

Exterior Aesthetic Concerns: Housing rehabilitation funds may be used to increase the aesthetic value of the home as determined by the Rehabilitation Consultant. This includes the correction of incipient housing code violations. An incipient violation is a condition which will, in the opinion of the City Inspector, deteriorate to an actual violation within two (2) years. Initial inspection by City Inspector will report those incipient code violations easily identified by a visual inspection. Exterior aesthetic concerns include, but are not limited to:

- Exterior painting or wood siding replacement
- Removal or repair of synthetic siding
- Roof shingle replacement
- Minor landscaping needed to establish proper drainage away from foundations, provide stable ground cover, screen foundations, or inappropriate views, or meet minimal standards for shade trees
- Other concerns as suggested by Code Enforcement officials

General Property Improvements: Housing rehabilitation funds may be used for improvements which are, in the opinion of the Rehabilitation Consultant, nevertheless necessary to put the property in a generally good and readily maintainable condition. General property improvements include, but are not limited to:

- Interior painting, major repairs to walls, ceilings or woodwork
- Sanding, varnishing, carpeting or covering floors
- Bathroom improvements including vanity units
- Kitchen improvements (not including appliances)
- Wallpapering or paneling
- Wall and base kitchen cabinets
- Fences, driveways, and burglar alarms
- Central Air and/or Heat

Ineligible Activities: Housing rehabilitation funds shall not be used for Ineligible activities. These include, but are not limited to, the following:

- Purchase, installation or repair of furniture
- Purchase, installation or repair of appliances
- Patio/porch/deck addition
- Installation or replacement of synthetic siding
- Work done by applicant prior to the approval of the loan, or contracted for, either verbally or in writing, prior to the approval of the loan
- Work done by a person, firm, consultant or contractor other than those specifically contracted under this program

- Work done by a person, firm, consultant or contractor contracted under this program but not authorized by the program manager
- The payment of any lien or judgment including delinquent taxes on other properties
- Other costs not associated with the rehabilitation of the home
- Work done to any structure other than structures(s) identified in the contract

Section 7 - Terms of the Loan

The minimum loan amount shall be ten thousand (\$10,000) dollars. The maximum loan amount may be up to fifty thousand (\$50,000) dollars minus testing and administrative fees as assigned. The loan amount shall be the amount of the winning bid plus a five hundred (\$500) contingency. The actual amount will depend on the specific situation of the applicant and be determined after the bid opening, but prior to signing of the deed of trust.

Upgrades: Items to be repaired or replaced will be priced in kind. Should the applicant desire an upgrade to an item that increases the cost of that item, the applicant shall be responsible for the cost difference.

Term: The term of the loan shall be ten (10) years.

Repayment: The loan principal shall be repaid over a period of 119 equal monthly payments plus 1 payment of residual loan balance.

Assumability: Loans under this program shall not be assumable.

Security: The loan shall be secured by a Deed of Trust and Promissory Note, which shall be recorded at the Circuit Court of the City of Roanoke.

Relocation: Should the nature of the work be such that relocation of the residents be necessary, the cost of relocation and all expenses shall be the responsibility of the applicant.

Repayment Triggers: The following actions by the applicant shall act as triggers for the repayment of the unforgiven balance of the loan:

- The applicant is convicted in General District Court of violating certain City Code provisions after final acceptance of the Work. These include Chapter 7, Article II., Building Code; Chapter 20, Article VI., Keeping of Inoperable Motor Vehicle; Chapter 33, Article II., Weed and Trash Abatement.
- The applicant sells or otherwise transfers the property to another party other than his/her surviving spouse or legal heir, or the applicant, surviving spouse or legal heir rents any portion of the property to another party.
- The applicant, surviving spouse or heir no longer uses the home as their primary residence, defined as occupying the property for at least 9 months of any 12 contiguous months.

Section 8 – Application Process

Order of Applications: Loans shall be considered on a chronological order basis of date-stamped reception of completed Uniform Residential Mortgage Application forms meeting program manager approval. Funding may be limited, and the City makes no guarantee that funding will be available for any work unless and until a contract is signed to perform the work.

Credit History Report: The applicant will give consent for a credit history report. The purpose of reviewing the report will be to ensure the applicant has no outstanding unsettled debts and is generally financially fit to assume a loan under this program.

Criminal Background Check: The applicant will give consent for a criminal background check. The purpose of reviewing the report will be to ensure the applicant has no outstanding warrants. A history of criminal prosecution prior to application will not be a reason for ineligibility for a loan under this program, providing the applicant has no pending court action.

Applications: Applications consist of three steps:

1. Initial Application Consultation. The applicant will be asked to supply financial and insurance documents, employment history, and authorize credit history review, criminal background check and right of entry permission
2. Uniform Residential Loan Application
3. Applicants may be responsible for providing additional documentation required to determine program eligibility

Required Information: The applicant shall complete or provide the following information and forms as required by the program administrator:

- Application for Eligibility. This form will be supplied by program staff.
- Uniform Residential Loan Application. This form will be supplied by program staff.
- ECOA Notices and Disclosure
- Existing deed(s) of trust and Note(s)
- Lead-based Paint notice
- Verification of employment and income
- Authorization for review of credit history
- Authorization for criminal background check
- Proof of Homeowner's insurance naming the City of Roanoke as loss payee
- Proof of flood insurance, if applicable
- Three prior years tax returns
- Homeowner's agreement
- Authorization for Right of Entry
- In the case of a pending sale, a letter of intent of use of the property as primary residence

- Additional information as needed for eligibility determination
- HUD 1 Settlement Form. This form will be supplied by program staff
- GFE Form. This form will be supplied by program staff

Notification: Once eligibility is determined, the applicant will be notified in writing of their eligibility.

See Appendix B (Applications)

Section 9 - Inspection Process

Rehabilitation Consultant: Once the applicant and property are determined to be eligible for the program, a Rehabilitation Consultant will thoroughly inspect the home, noting and prioritizing deficiencies in the order stated above. The Rehabilitation Consultant will produce a work write-up and cost estimate, which will become the basis for the construction contract. Project feasibility will also be determined by this process. The Rehabilitation Consultant will work with the applicant throughout the inspection and construction process. The Rehabilitation Consultant will base the work write up and cost estimate on the most cost effective materials and methods that, in his/her opinion, address the issues being considered for rehabilitation. Should the applicant desire alternate materials and/or methods, these desires may be added to the bid form as Additive Alternates at the cost of the applicant (see Section 12).

Inspections: City building and code enforcement officials will periodically inspect the property throughout the process. The City reserves the right to inspect the interior and exterior of the property upon notification at any point during the loan period.

Assessments: In addition to inspections, the program manager shall contract with certain firms to perform assessments. Representatives from these firms shall contact the applicant to schedule the assessment prior to arrival. The applicant shall provide adequate access to the home and property. These include, but are not limited to:

- Rehabilitation Consultant
- Lead hazard assessment
- Asbestos hazard assessment
- Weatherization and energy audit
- Insect and rodent inspection

Section 10 – Historic Guidelines

Architectural Review Board: Per federal guidelines any property enrolled in this program must be reviewed and evaluated for historic significance. If the property is found to be within a local, state or national historic district or is a contributing structure within said district, the work write up must be in compliance with the Secretary of the Interior Standards, and the rehabilitation work must be determined as a non-adverse effect by the Virginia Department of Historic Resources. Per city guidelines any property enrolled in this program falling within the

Neighborhood Design District (NDD), H-1or H-2 districts must meet specific guidelines and regulations for exterior renovations/additions. All exterior renovations must be consistent with the guidelines for property maintenance and renovation in the City's *Residential Pattern Book*. Additionally, if the property is within an H-2 district and the work includes changes to the exterior design, the applicant may need approval of the City of Roanoke Architectural Review Board (ARB). Please contact the City Planning Department at 540-853-1522 for more information on the ARB process.

Section 11 – Assessments

Lead-Based Paint Requirements: For structures constructed before January 1, 1978, the program manager shall order a Paint Testing and Risk Assessment to be performed by a qualified Licensed Lead Risk Assessor. The Paint Testing and Risk Assessment shall be performed on areas of the structure that have been identified by the Rehabilitation Consultant's work write up as areas needing repair. The program manager shall order a clearance examination of all disturbed areas found to contain lead based paint. This examination shall be performed after construction activities have been finished, but prior to final acceptance of the work by the owner, and be performed by a party other than the contractor performing the Work. All contractors performing activities for this program that disturb lead-based paint shall be certified by the Environmental Protection Agency to perform such work. If the total cost of construction under a single contract is twenty five thousand (\$25,000) dollars or less, only those areas disturbed by construction activities must be made free of lead paint. If the total cost of construction under a single contract is greater than twenty five thousand (\$25,000) dollars, a full lead abatement shall be performed on the home.

Asbestos Requirements: Should the Rehabilitation Consultant suspect that the areas included in the Work contain asbestos (i.e. roofs, siding, flooring, and insulation), the program manager shall order an Asbestos Assessment to be performed by a National Standards for Hazardous Air Pollutants qualified assessor. The assessment shall include as a minimum all surfaces of the structure planned to be disturbed during rehabilitation activities and suspected of containing asbestos. The program manager shall order a clearance examination of all disturbed areas found to contain asbestos. This examination shall be performed after construction activities have been finished, but prior to final acceptance of the work by the owner. All contractors performing activities for this program that disturb asbestos shall be certified by the Environmental Protection Agency to perform such work.

Energy Audit: The program manager shall order an energy audit to be performed on the home by a certified service company specializing in such work. The results of the test shall include recommendations on weatherproofing the structure, replacing heating/cooling components and insulating.

Insect and Rodent Inspections: The program manager shall order an insect and rodent inspection to be performed on the home by a certified service company specializing in such work.

Section 12 – Bidding

Bid Documents: Once the Rehabilitation Consultant completes the work write up and cost estimate, the program manager will consult with the applicant to determine the content of the bid form. The bid form shall contain a description of all the work to be performed under the contract, taking into account the available funds and priority of items to be addressed. Once all parties agree on the contents of the bid form, the Rehabilitation Consultant shall draft the bid documents. These shall contain the following:

- Invitation to Bid
- General Instructions to Bidders
- Bid Form
- Measurement & Payment Section
- Contract Terms and Conditions
- Contractor Insurance Requirements
- Specifications
- Drawings (if applicable)
- Assessments (if applicable)
- Other attachments as necessary

Bidding: The Rehabilitation Consultant shall solicit a minimum of three (3) bidders for the project. The applicant may suggest preferred contractors to be solicited; however the winning bidder must meet qualifications prior to being awarded a contract. The Rehabilitation Consultant shall set a time, date and location for submission of bids. Once set, these factors shall not be altered unless an addendum is issued. The Rehabilitation Consultant shall distribute the bid package to interested parties and collect all responding bids until the date and time of bid opening. All bidding shall be by Sealed Bid only. Unsealed, faxed or e-mailed bids shall not be accepted.

Additive Alternates: Should the applicant request materials and/or methods different than noted by the Rehabilitation Consultant, an additive alternate bid item will be added to the bid form. If budget considerations allow the item to be included with the final contract amount, the item will be added to the work. If budget considerations do not allow for the inclusion of the additive alternative, but the applicant desires the item to be included, the applicant will be responsible for the cost difference between the base bid item and the additive alternate item.

Pre-bid Conference: Notice of a non-mandatory pre-bid conference shall be made at the time of distribution of the bid package to interested bidders. This conference shall take place during the time for bidding, but no later than five (5) business days prior to the bid due date. It is strongly suggested that the pre-bid conference be held at the project site. Should this be the case, the applicant shall provide access to all parts of the property being considered for work under the contract.

Bidder Qualifications: An applicant may provide the Rehabilitation Consultant with a list of contractors he/she desires to be provided with bid forms, provided the contractor(s) are

deemed responsible. To be deemed responsible by the City of Roanoke, and qualified to bid on projects under this program, the bidder must meet the following requirements:

- A responsible Contractor is defined by the Code of VA as one who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability that will assure good faith performance, and who has been prequalified, if required.
- The bidder must not be related in any way to the applicant
- The bidder must be licensed to do such work within the City of Roanoke, and hold a Class A or B Contractors License
- If the work involves lead, asbestos, or other hazardous material, the bidder must hold a current certificate issued by the Environmental Protection Agency or other certifying authority authorizing the bidder to perform such work, or subcontract such work to a so licensed firm
- The bidder must provide at least three (3) references of comparable work performed by the bidder within the Roanoke Metropolitan Area and within the past five (5) years. If the work is to be performed on a property within the NDD, H-1 or H-2 districts, at least two (2) of these references must include historic renovations
- The bidder must not have a current substantiated complaint filed against him/her and/or any reason the City of Roanoke should not allow the bidder to perform the work

Bidder Responsiveness: To be deemed responsive with a qualifying bid, each bidder shall submit the following documents in a sealed envelope prior to bid closing. Bids submitted lacking these documents shall be considered non-responsive and therefore be disqualified from award.

- Proof of Contractor's Insurance (see Bid Documents Attachment C – Contractor's and Subcontractor's Insurance)
- Proof of Licensure to do work within the City of Roanoke (see Bid Documents Attachment D – Bid Form)
- A minimum of three (3) references (see Bid Documents Attachment F – Contractor's References)
- A completed and signed Bid Form (see Bid Documents Attachment D – Bid Form)
- Signed acknowledgement of any applicable addendums
- Certification to work with hazardous material (if applicable)

Bid Opening: The Rehabilitation Consultant shall open the bids at the date, time and location specified on the bid documents. The bid opening shall be witnessed by at least one (1) other party not participating in the bidding. All opened bids shall be submitted to the program manager for final verification. The applicant shall accept the lowest responsive and responsible bid as outlined above.

Section 13 – Loan Closing

The face value of the loan shall be based on the amount of the lowest responsive and responsible bid received plus a five hundred dollar (\$500) contingency. The amount shall be entered on the deed of trust and the promissory note signed by the applicant and the Trustee. Both the deed of trust and promissory note shall be recorded at the Roanoke City Courthouse. The ten (10) year term of the loan shall commence upon recordation of the deed.

Section 14 – The Work

Contract: The contract shall be executed between the applicant and the contractor submitting the lowest responsive and responsible bid. The applicant and contractor shall agree on an appropriate start date and work duration once the contract has been fully executed. No work shall commence unless and until all loans have been closed and deeds recorded, all contracts have been executed and all permits have been obtained.

Pay Requests: Pay requests shall be submitted by the contractor to the Rehabilitation Specialist not more than once per fifteen (15) calendar days. All pay disbursements shall be made directly to the contractor by the City of Roanoke. All pay requests shall be verified in the field by the Rehabilitation Consultant prior to disbursement. Work done by the contractor that is not part of the contract or authorized in writing by the program manager prior to being performed shall not be included in any pay disbursement. A five percent (5%) mobilization charge may be awarded prior to construction, with these charges being deducted from the materials cost of the first request for payment. All other pay disbursements shall be for work complete and in place. A five percent (5%) retainage shall be withheld from each disbursement, to be released at final payment.

Permits and Fees: The contractor shall apply for and obtain any and all permits necessary for completing the work. The contractor shall be responsible for all fees, charges, taxes and other costs associated with the work.

Project Time: The contractor shall begin the work at the date agreed to with the applicant and commence the work with sufficient materials and labor that enables him/her to complete the work in a timely manor.

Access: The applicant shall allow full and complete access to all areas of the house and property involved in the work. The applicant shall move/remove items within the work area to facilitate the contractor's access prior to the beginning of the work. The applicant may be required to temporarily relocate from the property during completion of the work.

Work Area: The contractor shall maintain the work area in an orderly fashion, removing trash and debris on a daily basis. The contractor shall be responsible for all equipment used for the work.

Complaints: All complaints from the applicant regarding the contractor or work shall be addressed to the Rehabilitation Consultant who will determine corrective actions.

Reporting: The Rehabilitation Consultant will provide regular monitoring and reporting of all construction activity. A construction activity log shall be provided to the program manager on no less than a weekly basis.

Inspections: The contractor will coordinate with all inspecting authorities with respect to inspections.

Utilities: The applicant shall grant to the contractor access to all utilities necessary to perform the work at the expense of the applicant. Should no utility connection be available, the contractor shall be responsible for providing and paying for all utility connections deemed necessary to accomplish the work.

Change Orders: All work deemed necessary to the completion of the work but not included in the contract shall be approved in writing by the program manager prior to undertaking such work. Work done outside the contract but not approved in writing by the program manager in advance shall not be paid for.

Section 15 – Final Inspection

Completion of the Work: Upon completion of all work provided for in the contract, including approved change orders and lead-based paint and asbestos clearances, as applicable, the contractor shall notify the Rehabilitation Consultant, who will inspect the work, noting deficiencies and creating a punch list. Upon completion of the punch list by the contractor, the Rehabilitation Consultant will notify the applicant and the program manager that the project is prepared for final acceptance. If the work is completed to the satisfaction of the applicant, the applicant shall sign the final acceptance form and release the contractor from further work.

Cleanup and Clearance: Upon completion of the work in any area of a structure deemed to contain lead based paint, the contractor shall thoroughly clean all surfaces of residual dust and paint chips. The program manager shall order a clearance inspection to be done by a firm specializing in such inspections. The contractor shall not be released unless and until the inspection process is complete and a passing score is obtained. The City shall pay for the first inspection. Subsequent inspections required due to failure shall be paid for by the contractor.

Warranty: All work shall be warranted by the contractor for materials and workmanship for a period of one (1) year from date of final acceptance. The homeowner shall receive and be the beneficiary of all manufacturers' warranties on installed equipment.

Final Payment: Upon final acceptance of the work by the applicant, a final payment request, to include retainage withheld, shall be submitted to the City. Final payment shall not be made until the structure has obtained a passing score for the clearance inspection.

Attachment A – Target Areas